



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE DEVELOPMENT
220 French Landing Drive
Nashville, TN 37243-1002
(615) 741-1031

March 19, 2008

Workforce Investment Act (WIA) Memorandum Division WFD Number 07-35, **Change 1**

Topic: Transfer of Funds

Subject: The procedure Local Workforce Investment Areas (LWIAs) must use when asking for a transfer of formula funds during a given program year

Purpose: This memorandum provides the procedures for LWIAs to use in requesting transfers between adult formula funds and dislocated worker formula funds (allocated to the LWIA for a program year).

Background: WIA Section 133(b) (4) gives the governor authority to allow transfers of up to 20% between adult formula funds and dislocated worker funds. The 2003 appropriation enacted by Congress raised this transfer limit to 30% effective with PY 3 (Program Year 2003) funds. **Recently, Tennessee Governor Phil Bredesen requested a waiver allowing an increase in the funds transfer limitation to 50%. The United States Department of Labor approved this request on March 6, 2008. (See the attached letter.)**

The state applauds this ability to transfer funds from one program to another; doing so eases the burden of funds shortages. The department wants each LWIA to take the opportunity to resolve its critical funding needs by using such transfers in the adult and dislocated worker programs. In addition, this policy will prevent confusion caused by a lack of proper documentation needed to make such transfer requests.

Instructions: If an LWIA plans to transfer funds, it can only do so within the same year. For example: PY adult funds may only be transferred to PY dislocated worker funds of the same year, or vice versa; Fiscal Year (FY) adult funds may only be transferred to FY dislocated worker funds of the same year, or vice versa. Documentation for such transfers must include: program name (adult or dislocated worker); funding year (during which such funds are to be transferred); amount to be transferred; reasons for the transfer. **(According to the approval of the aforementioned waiver, such transfers may not exceed 50% through June 30, 2009.)**

Note: This policy replaces previously issued memorandum – the procedures remain the same.

Contact: For questions regarding this policy, please contact Susan Cowden, Administrator, Division of Workforce Development at 1-800 255-5872.

Effective Date: **March 19, 2008**

Expiration Date: **June 30, 2009**

Susan Cowden, Administrator
Division of Workforce Development

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